

M Giles
Consulting, LLC

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Docket No. T-20544A-07-0456

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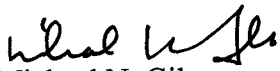
Docket Control Center
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007-2927

RE: Response of Baldwin County Internet/DSSI Service, L.L.C. to the Staff's Letter of Insufficiency and Fourth Set of Data Requests, dated April 22, 2008

Enclosed for filing, please find an original and thirteen (13) copies of the Response of Baldwin County Internet/DSSI Service, L.L.C. to the Staff's Letter of Insufficiency and Fourth Set of Data Requests, delivered via email by Ms. Candrea Allen and by Certified Mail.

Any questions regarding this filing may be directed to my attention at 214-762-7576, email at mike.giles@att.net, or physical address, 6601 County Rd 166, McKinney, TX 75071-7309.
Thank you for your assistance in this matter.

Sincerely,


Michael N. Giles
Consultant for
Baldwin County Internet/DSSI Service, L.L.C.

Enclosures

Cc: Ms. Candrea Allen (Overnight Mail and Email)

Arizona Corporation Commission
DOCKETED

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6601 County Rd 166
McKinney, Texas 75071-7309
P 214-762-7576 F 972-562-7449

mike.giles@att.net

**BALDWIN COUNTY INTERNET/DSSI SERVICE, L.L.C.'S
RESPONSE TO THE STAFF'S FOURTH SET OF DATA REQUESTS
IN DOCKET NO. T-20544A-07-0456**

(Delivered by Email and Certified Mail from Ms. Candrea Allen)

- Q1. Please provide an explanation of what makes up each item listed as a Fixed Asset (Cable, Software, and Head End Equipment) on the company's 2006 balance sheet.
- R1. **Up until May 2007, Baldwin County Internet/DSSI Service, L.L.C. (BCI) provided video, data, VoIP, and internet service over company-owned facilities and equipment. Service was provided to customers over fiber optic cables and other technically advanced facilities. The Fixed Asset category included the fiber optic transport, fiber optic distribution cable to the customers, the video head-ends to receive and distribute video signals, computers and associated software for routing data, property and buildings. It included all assets necessary to provide service to customers.**
- Q2. On Baldwin's 2006 Balance Sheet submitted on August 1, 2007, the company lists Total Assets of approximately \$5.4 million with almost \$4.5 million listed as Fixed Assets (Cable, Software, and Head End Equipment). However, there are not Fixed Assets included in the company's 2007 Unaudited Balance Sheet. Please explain this difference between the company's 2006 and 2007 Balance Sheets.
- R2. **Prior to May 2007, Baldwin County Internet/DSSI Service, L.L.C. owned the assets it used to provide service in Florida and Alabama. The company provided a mix of services to its customers, including VoIP, video, data, and internet service. It provided this service utilizing fiber optic cable to its residential customers (FTTH – fiber-to-the-home) and its business customers such as resorts, video head-end equipment and other equipment, facilities and software necessary to provide service. In May 2007, the Company changed its strategic direction and sold most of its assets, then leased back the assets to enable it to continue to provide the same services in Florida and Alabama. At that time, it determined that its future business in all other states, including Tennessee, would be to provide transport services to other service providers.**

As a result of this major strategic shift in direction, the Balance Sheet for 2006 includes the "old" company with significant assets. The 2007 Balance Sheet provides the December 31, 2007, assets of zero, since all assets were sold in May 2007. These assets were then leased back to BCI to enable the company to continue providing the same services.